

DIGITAL TRANSFORMATION: STATE BANK OF INDIA'S INNOVATIVE INITIATIVES

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ABSTRACT

This article focuses on the digital transformation initiatives done by the State Bank of India (SBI), a notable public sector bank, to revolutionize its operations and improve customer experiences. SBI has linked banking services with lifestyle and financial offers through innovative platforms like YONO, SBI Buddy, and e-Smart SME, giving consumers smooth and personalized experiences. Furthermore, SBI's cooperation with Digi Locker and the introduction of a virtual assistant have increased client empowerment and enhanced support services. SBI has effectively positioned itself as a leader in the banking business by adopting digital technology, pushing innovation, and providing efficient services to its consumers.

Key Words: State Bank of India, digital transformation, Digital, Initiatives.

JEL Classification: G2, G21

INTRODUCTION

Digital transformation has become a crucial aspect of the banking sector, empowering financial institutions to streamline processes, enhance customer experiences, and drive innovation. In the digital transformation era, the State Bank of India (SBI), one of India's largest public sector banks, has revolutionized banking services through digital initiatives. SBI has embarked on a journey of innovation, leveraging technology to enhance customer experiences, streamline operations, and promote financial inclusion. Through a series of innovative initiatives, SBI has leveraged the power of digital transformation to provide efficient services and stay ahead in the competitive banking landscape. The present article will explore the various digital transformation initiatives undertaken by SBI, focusing on their innovative platforms and solutions.

REVIEW OF LITERATURE

- 1. Piyush Gupta and Krishna Kumar Jaiswal (2020)** conducted a comparative examination of three public sector (State Bank of India, Bank of Baroda, and Punjab National Bank) and three private sector (HDFC Bank, ICICI Bank, and Axis Bank) banks. The analysis is based entirely on secondary data from 2015 to 2019. It discovered that public sector banks had made substantial strides. However, they must still satisfy the performance criteria established by private sector banks, and private sector banks are more effective than public sector banks in managing Non-Performing Assets (NPA).
- 2. Inchara P M Gouda (2020)** examines the pre-merger (Canara Bank and Syndicate Bank) and post-merger (Union Bank of India, Andhra Bank, Corporation Bank) performance of public sector banks in India, as well as other aspects of merger plans such as the proposal, motives, merger process, and synergy benefits merger. The research examined merger-related concerns such as the redeployment of workers from merging institutions, technology integration, and so on. The study shows that banks get more business and save money on operating costs. These mergers' effectiveness depends on how well the combined public sector banks' human resources operate and work.
- 3. Nilmani Tripathi and Nidhi Ahuja (2020)** investigated the impact of the merger on the Indian State Bank. The article analyses the causes of the mergers and illustrates how the merger affected the state bank of India's profitability and productivity. The data is derived from secondary data from the concerned bank's annual reports and is used to analyze the selected bank's productivity and profitability. According to the report, the state bank of India's efficiency declined following the merger, but its profitability increased.
- 4. Sunil M Rashinkar (2020)** investigated the financial performance of many Indian commercial banks. The information was gathered from secondary sources. The research lasted five years, from 2014-15 to 2018-19. The study chose ten commercial banks and analyzed the CAMEL Model data. According to the study's overall examination of the CAMEL model, HDFC Bank ranked first.
- 5. S.K Shakeel and Sukumal Datta (2020)** studied the effect, advantages, and problems of India's public sector banks. The research was based on secondary data. It discovered that there is an impact on employees, management, and shareholders, among others, as

well as hurdles such as VRS-related concerns, clashing of organizational cultures, various unions hostile to the merger, HR-related issues, etc. The analysis concludes that this combination will result in a higher market share and many chances for future growth.

NEED AND OBJECTIVE OF THE STUDY

The rapid advancements in technology and changing customer expectations have necessitated financial institutions' adoption of digital transformation strategies. SBI, as a prominent player in the banking industry, provides an excellent case study to explore the need for and the benefits of digital transformation in a large-scale public sector bank. The study aims to examine the State Bank of India's (SBI) digital transformation initiatives and their implications for enhancing customer experiences, improving operational efficiency, and driving innovation and the impact of digital technologies in the banking sector.

RESEARCH METHODOLOGY

The information presented in this article is based on secondary data gathered from diverse sources like Annual reports of SBI, articles, Academic journals, newspapers, websites, and online sources.

DISCUSSION

Digital initiatives undertaken by the State Bank of India

Digital initiatives undertaken by the State Bank of India (SBI) include the latest developments.

- 1. YONO (You Only Need One):** YONO is SBI's integrated digital banking platform that was launched in 2017. It has continued to evolve and expand its range of services since then. YONO offers a seamless and comprehensive banking experience to customers, providing access to various financial and non-financial services through a single platform. Customers can open savings accounts, apply for loans, make bill payments, purchase insurance, invest in mutual funds, and avail of other banking services conveniently through the YONO mobile application or web portal.
- 2. YONO Cash:** SBI introduced the YONO Cash feature to facilitate cash withdrawals without using a physical debit card. Through the YONO app, customers can generate a unique transaction ID and PIN, which can be used at designated ATMs to withdraw cash securely. This feature offers convenience to customers who may have forgotten their physical cards or prefer not to carry them.

3. **SBI Digi Mitra:** SBI Digi Mitra is an initiative aimed at promoting digital banking services in rural and underserved areas. It involves deploying banking correspondents equipped with micro-ATMs and other digital banking tools. These Digi Mitras act as intermediaries, providing basic banking services such as account opening, cash deposits, withdrawals, and fund transfers to individuals in remote locations where physical banking infrastructure is limited. This initiative aims to enhance financial inclusion and bring banking services closer to rural communities.
4. **Video KYC (Know Your Customer):** SBI implemented video KYC as a convenient and secure way for customers to complete the KYC process remotely. Instead of visiting a branch in person, customers can initiate a video call with an SBI representative who verifies their identity, address, and other necessary details. Video KYC enables faster onboarding of customers and eliminates the need for physical document submission, offering a seamless and efficient customer experience.
5. **Contactless Debit Cards:** SBI introduced contactless debit cards that leverage near-field communication (NFC) technology. These cards enable customers to make secure and convenient payments by simply tapping their cards on compatible point-of-sale (POS) terminals. Contactless payments enhance speed and ease of transactions, eliminating the need for swiping or inserting cards into the terminal.
6. **SBI Quick:** SBI Quick is a convenient banking service that allows customers to access various banking services through missed calls or SMS. By giving a missed call or sending an SMS to predefined numbers, customers can perform tasks such as checking account balances, obtaining mini statements, blocking ATM cards, and more. SBI Quick provides quick and easy access to essential banking information and services without the need for internet connectivity or visiting a branch.
7. **AI-Powered Chatbot:** SBI deployed SBI Intelligent Assistant (SIA), an AI-powered chatbot, to enhance customer service and provide personalized assistance. SIA can handle a wide range of queries, including account-related inquiries, product information, transaction details, and help customers navigate through various banking processes. By leveraging artificial intelligence and natural language processing, SIA offers quick and accurate responses, reducing customer wait times and improving overall customer experience.
8. **Robotic Process Automation (RPA):** SBI has embraced Robotic Process Automation (RPA) technology to automate repetitive and manual tasks within its operations. RPA helps streamline processes, reduce manual errors, and improve operational efficiency.

Tasks such as data entry, reconciliation, report generation, and customer support can be automated, freeing up resources to focus on more complex and value-added activities.

- 9. SBI Buddy:** To promote digital payments and facilitate financial transactions, SBI introduced SBI Buddy, a mobile wallet application. SBI Buddy enables customers to send money, pay bills, recharge mobile phones, and shop online using their smartphones. The app supports multiple languages and offers a user-friendly interface, making it accessible to a wider audience. By promoting cashless transactions, SBI Buddy has contributed to the government's vision of a digital economy and reduced reliance on traditional banking methods.
- 10. SBI e-Smart SME:** Recognizing the importance of digital transformation for small and medium enterprises (SMEs), SBI introduced the e-Smart SME platform. This initiative focuses on providing a range of digital banking services tailored to meet the unique needs of SMEs, such as instant loan approvals, online account opening, and simplified documentation processes. By digitizing and automating these services, SBI has facilitated faster and more efficient banking for SMEs, empowering them to grow and succeed in a digitally-driven economy.
- 11. SBI Digi Locker:** SBI partnered with the Government of India's Digi Locker initiative to offer secure digital storage of important documents for its customers. With SBI Digi Locker, users can store and access documents such as Aadhaar cards, PAN cards, driving licenses, and educational certificates in a cloud-based platform. This eliminates the need for physical copies and provides a convenient and secure way to access personal documents anytime, anywhere. SBI's collaboration with Digi Locker showcases its commitment to embracing government-led digital initiatives and providing value-added services to customers.
- 12. SBI Virtual Assistant:** To enhance customer support and engagement, SBI implemented a virtual assistant powered by artificial intelligence. Customers can interact with the virtual assistant through various channels, such as the website, mobile app, or messaging platforms, to get real-time assistance with their banking queries and transactions. The virtual assistant is equipped with natural language processing capabilities and a vast knowledge base, allowing it to understand and respond to customer queries accurately. This initiative has improved customer service efficiency and reduced response times.

CONCLUSION

State Bank of India's innovative initiatives in digital transformation have positioned it as a leader in the banking sector. The bank has embraced digital technologies through platforms like YONO, YONO Cash, SBI Digi Mitr, video KYC, SBI Quick, SBI Intelligent Assistant (SIA), SBI Buddy, and e-Smart SME to provide customers with convenient and personalized banking experiences. Collaborations with initiatives like Digi Locker and implementing a virtual assistant demonstrate SBI's commitment to leveraging technology to benefit its customers. As SBI continues its digital transformation journey, it will likely drive further innovation, improving its services and staying ahead in the evolving digital landscape. Overall, SBI's digital initiatives have transformed the banking landscape in India, making banking services more accessible, convenient, and secure. By embracing innovation and focusing on customer-centric approaches, SBI has set a benchmark for other banks to follow in the digital era. As SBI continues to evolve and innovate, customers can expect further advancements in digital banking services, further enhancing their banking experience and contributing to the growth of India's digital economy.

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